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# Managing Your Money

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## Fund manager stays bullish on tech stocks' outlook

By Sandra Block, USA TODAY

NEW YORK — Alberto Vilar, the courtly and erudite manager of Amerindo Technology fund, devotes his days to technology stocks, but his nights belong to the opera.

Vilar, 60, spends the day quizzing analysts and scrutinizing financial statements. When the sun goes down, he heads for Carnegie Hall or the Metropolitan Opera.

In February, he gave \$50 million to Washington's Kennedy Center for the Performing Arts, the largest private grant in the institution's 29-year history. Other major gifts include \$25 million to the Met and \$18 million to the Royal Opera House in London.

But like the heroines of his favorite operas, he has paid a price for his passions. Arts critics disparage his taste in music and growing influence in the world of opera. Financial writers point out that his fund has fallen more than 81% in the past 12 months. Yet Vilar soldiers on, writing ever-larger checks to charity while confidently forecasting a tech stock recovery.

In a recent television interview, Vilar called the outlook for new technologies the brightest in 30 years. "I think we'll look back at the prices of some of these stocks in 12 or 26 months and say, 'How could they ever have gotten so low?'"

### Early bets on tech

The son of a Cuban sugar company executive, Vilar spent his early childhood in Cuba and Puerto Rico. He began listening to classical music when he was 7 years old. His first taste of opera came from the movies, when his grandmother took him to musicals starring tenor Mario Lanza. His love of the opera came later, while he was in college, but, "The catalyst was really the two or three Lanza movies I saw in the 1950s," he says.

After the Castro revolution, the Vilar family moved to the USA, confident of a brief stay. The family assumed the CIA would quickly topple Castro, Vilar says. In the meantime, his father believed a job with a New York bank would prepare him for a career when the family returned to Cuba.

Vilar found a job in the international credit



Richard Drew, AP

'Tis better to give: Philanthropy is one of money manager Alberto Vilar's passions. He also believes in tech stocks' durability.

About Amerindo Investment Advisors

Assets under management: \$9 billion.

Funds: Amerindo Technology, Amerindo Internet B2B, Amerindo Health & Biotechnology.

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division at Citibank. After 3 years, he came to two realizations: He didn't want to be a banker, and Castro wasn't going anywhere. Over the next decade, he worked at Wall Street investment firms and developed an interest in small growth stocks that most investors ignored. Phone: 888-832-4386.

During that same period, the U.S. government imposed new rules on company pensions, creating a demand for people who could manage pension fund assets.

Few of the new money management firms would touch tech stocks, which were largely unknown and paid no dividends, Vilar says. So in 1979, he launched a money management firm, Amerindo Investment Advisors, with his partner, Gary Tanaka, now in the company's London office.

It meant giving up a regular salary at an established firm. And he had no family money to fall back on, because his father's fortune was lost in the Cuban revolution. "I'd like to say I bet the ranch, but I didn't, because I was very poor," he says. "I bet my career."

It turned out to be a smart gamble. Early bets on Microsoft, Intel and Oracle helped Amerindo's institutional accounts deliver average annual returns of 34% between 1990 and 1999 vs. 18% for the S&P 500 index.

In 1996, Amerindo branched into the retail sector with the Amerindo Technology fund. Concentrated bets on a handful of tech names paid off in 1999, when the fund soared 251%. But investors who bought the fund based on 1999 returns have suffered. Last year, it plunged 65%; this year, it's down 36%.

Vilar is convinced the stocks in his portfolio will recover. His experience gives him more credence than most tech fund managers, says Scott Cooley, a Morningstar analyst. "At least with Amerindo, you have a shop that's been doing this sort of concentrated investing for at least 20 years."

Still, Cooley advises investors interested in Amerindo to limit their holdings to a very small corner of their portfolios. "Technology funds are risky enough, even when their holdings are diversified across technology, and this one focuses on a pretty narrow subsector of a sector," he says.

### A controversial patron

Like most tech fund managers, Vilar has taken his hits in the financial press. But those criticisms pale in comparison with the pounding he's felt in the arts pages.

British journalists, in particular, have grouched about his growing influence in the world of opera. A writer for *The Times* of London commented that he supports institutions that "deliver ballet and opera the way he likes it — staid, starry and starchy."

Vilar bristles at such criticism, arguing that if it weren't for his patronage, arts critics wouldn't have much to write about. He blames much of the criticism on anti-American sentiments, but adds: "I never met a Brit, including the royal family, who didn't say thank you."

### Gifts of note

Some of Alberto Vilar's major charitable gifts:

- Kennedy Center for the Performing Arts: \$50 million.
- Metropolitan Opera Endowment Campaign: \$25 million.
- Royal Opera House, London: \$18 million.
- Kirov Opera & Ballet, St. Petersburg, Russia: \$14 million.
- Vilar Center for the Arts, Beaver Creek, Colo.: \$10 million.
- Columbia Univ. College of Physicians and Surgeons: \$10 million.

Michael Kaiser, president of the Kennedy Center, calls Vilar a "very focused donor" whose gifts reflect his interests. But once the check is written, Vilar steps out of the way. "Mr. Vilar doesn't tell us what we should be doing artistically," he says.

Vilar's lack of reticence about his philanthropy has also fueled criticism in the arts media. There is a Vilar Grand Tier at the Metropolitan Opera and Vilar Floral Hall at London's Royal Opera House. His name and photo frequently appear in the programs of the productions he underwrites.

Vilar, who is divorced and has no children, says public acknowledgment of his gifts encourages others to follow his example. He believes most people, from middle-class workers to high-tech billionaires, could give a lot more than they do. Microsoft founder Bill Gates "was worth a heck of a lot of money before he started writing checks" to charity, Vilar says. "But God bless him, he's giving a lot of money away, and I think that's wonderful."

While philanthropy remains Vilar's passion, he has no plans to retire soon from the investment business. He's convinced a new generation of tech companies, many of them unknown to most investors, are poised to soar in the next 5 years, and he wants to be around to see it happen.

"If I thought it was all over but the shouting, I would pull back," he adds. "I don't think that for a second."

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